

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

2 A Limited Liability Partnership

3 Including Professional Corporations

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14 Attorneys for Debtors and Debtors in Possession

15 UNITED STATES BANKRUPTCY COURT

16 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION

17 In re

Case No. 20-30748

18 ☐ SIZZLER USA ACQUISITION, INC., a
19 Delaware corporation

20 ☐ SIZZLER USA HOLDINGS, INC., a
21 Delaware corporation

22 ☐ SIZZLER USA FINANCE, INC., a
23 Delaware corporation.

24 ☐ WORLDWIDE RESTAURANT
25 CONCEPTS, INC., a Delaware
26 corporation

27 ☐ SIZZLER USA, INC., a Delaware
28 corporation

☐ SIZZLER USA FRANCHISE, INC., a
Delaware corporation

☐ SIZZLER USA REAL PROPERTY, INC.,
a Delaware corporation

☐ SIZZLER USA RESTAURANTS, INC., a
Delaware corporation

☒ ALL DEBTORS,

Debtors and
Debtors in Possession.

Jointly Administered with Case Nos. 20-
30746, 20-51400, 20-51401,
20-51402, 20-51403, 20-51404, and 20-51405

Chapter 11 Proceeding

**DEBTORS' *EX PARTE* APPLICATION
FOR ORDER ESTABLISHING
BRIEFING SCHEDULE FOR
OBJECTIONS TO DEBTORS'
MODIFIED AMENDED PLAN OF
REORGANIZATION FOR SMALL
BUSINESS UNDER CHAPTER 11**

1 Debtors Sizzler USA Acquisition, Inc. (“SUSAA”), Sizzler USA Holdings, Inc.
2 (“SUSAH”), Sizzler USA Finance, Inc. (“SUSAFI”), Worldwide Restaurant Concepts (“WRC”),
3 Sizzler USA, Inc. (“SUSA”), Sizzler USA Franchise, Inc. (“SUSAFR”), Sizzler USA Real
4 Property, Inc. (“SUSARP”), and Sizzler USA Restaurants, Inc. (“SUSAR,” and together with
5 SUSAA, SUSAH, SUSAFI, WRC, SUSA, SUSAFR, and SUSARP, collectively, the “Debtors”),
6 the debtors and debtors in possession in the above-captioned bankruptcy cases (collectively, the
7 “Bankruptcy Cases”) respectfully submit this *Ex Parte* Application for Order Establishing
8 Briefing Schedule for Objections to Debtors’ Modified Amended Plan of Reorganization for
9 Small Business Under Chapter 11 and state as follows:

10 1. As explained more fully in the concurrently-filed *Notice of Modified Plan*, the
11 Debtors inadvertently neglected to include JPMorgan Chase Bank, N.A. (“Chase Bank”) as a
12 general unsecured creditor or account for the \$3,911,377.00 loan (the “PPP Loan”) the Debtors
13 obtained from Chase Bank under the federal Paycheck Protection Program in their *Amended Plan*
14 *of Reorganization for Small Business Under Chapter 11* (the “Plan”) filed on November 30, 2020,
15 as Docket No. 92.

16 2. While the Debtors still believe that the PPP Loan will be forgiven in full as discussed
17 in the *Declaration of Christopher Perkins in Support of First Day Motions* filed on September 21,
18 2020 (the “Petition Date”) as Docket No. 13, the PPP Loan has yet to be forgiven due to delays
19 under the Payment Protection Program and the bankruptcy process. It is necessary for the Debtors
20 to modify their Plan to account for the PPP Loan and include Chase Bank as a contingent general
21 unsecured creditor should a portion of the PPP Loan not be forgiven (the “Plan Modification”).

22 3. The Debtors believe that under the worst case scenario, \$2,100,000.00 of the PPP
23 Loan would not be forgiven. The Debtors have therefore prepared a Scenario B liquidation analysis
24 taking into account this worst case scenario. Under this Scenario B liquidation analysis, impaired
25 members of the general unsecured creditor classes in Class 3(d) and new Class 3(j) would receive
26 payment of approximately 8.3% on account of their allowed claims. While this return is lower than
27 the liquidation analysis of the scenario in which the PPP Loan is forgiven in full as included in the
28 Debtor’s Plan on file, impaired creditors will nonetheless receive more under Scenario B according

1 to the Plan Modification than they would in a liquidation under chapter 7. The Plan as modified to
2 include the Scenario B liquidation analysis therefore still satisfies the “best interest of creditors” test
3 under the Bankruptcy Code and therefore remains confirmable. Moreover, under Scenario B the
4 five-year forecast does not differ from that under the Plan presently on file because payments to
5 Class 3(d) and Class 3(j) creditors are still only made from projected disposable income.

6 4. In spite of the Plan Modification, the Debtors desire to keep the January 5, 2020,
7 hearing date presently set for the confirmation of the Plan in the interest of judicial expediency and
8 efficiency, and propose a deadline of December 29, 2020, for parties negatively impacted by the
9 modification (a total of 10 creditors plus Chase Bank) to file and serve objections to the Plan as
10 modified by the Plan Modification. This will still provide them with more than two weeks to oppose
11 the Plan as modified by the Plan Modification.

12 5. The Debtors have attempted to contact all of the Class 3(d) creditors, Class 3(j)
13 creditors and the Subchapter V Trustee by phone to provide them with additional notice of the Plan
14 Modification and ask them if they oppose the proposed briefing schedule. Of these, five creditors
15 (including Chase Bank) consented to the deadline of December 29, 2020 for submitting an
16 opposition to the Modified Plan. The other creditors were either unreachable or did not take a
17 position on the phone. No creditor stated an opposition to the request, although one creditor
18 indicated it was not interested in discussing the request at all. The Subchapter V Trustee did not
19 oppose the proposed December 29, 2020 opposition deadline to the Plan as modified by the Plan
20 Modification.

21 6. The Debtors therefore respectfully request that the Court issue an order substantially
22 in the form of the proposed order attached hereto as **Exhibit A**, setting December 29, 2020, as the
23 deadline for filing and serving objections to the Plan as modified to include the Scenario B
24 liquidation analysis and Chase Bank as a contingent general unsecured creditor impaired by the
25 Plan.

1 Dated: December 11, 2020

2 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

3
4 By

/s/ Ori Katz

ORI KATZ

JEANNIE KIM

GIANNA SEGRETTI

7 Proposed Attorneys for Debtor and Debtor in
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EXHIBIT A
(Proposed Order)

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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3 Including Professional Corporations
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☒ ALL DEBTORS,

Jointly Administered with Case Nos.
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20-51403, 20-51404, and 20-51405

Chapter 11

**[PROPOSED] ORDER ESTABLISHING
BRIEFING SCHEDULE FOR
OBJECTIONS TO DEBTORS'
MODIFIED AMENDED PLAN OF
REORGANIZATION FOR SMALL
BUSINESS UNDER CHAPTER 11**

Debtors and
Debtors in Possession.

24 The Court, having read and considered the *Debtors' Ex Parte Application for Order*
25 *Establishing Briefing Schedule for Objections to Debtors' Modified Amended Plan of*
26 *Reorganizations for Small Business Under Chapter 11* (the "Application"), filed by debtors and
27 debtors-in-possession Sizzler USA Acquisition, Inc. ("SUSAA"), Sizzler USA Holdings, Inc.

1 (“SUSAH”), Sizzler USA Finance, Inc. (“SUSAFI”), Worldwide Restaurant Concepts (“WRC”),
2 Sizzler USA, Inc. (“SUSA”), Sizzler USA Franchise, Inc. (“SUSAFR”), Sizzler USA Real
3 Property, Inc. (“SUSARP”), and Sizzler USA Restaurants, Inc. (“SUSAR,” and together with
4 SUSAA, SUSAH, SUSAFI, WRC, SUSA, SUSAFR, and SUSARP, collectively, the “Debtors”),
5 the debtors and debtors in possession in the above-captioned bankruptcy cases (collectively, the
6 “Bankruptcy Cases”), and all pleadings and evidence of record in these Cases, and good cause
7 appearing therefor,

8 **HEREBY ORDERS THAT:**

9 1. The Application is APPROVED in its entirety. Capitalized terms not defined in
10 this Order shall have the meanings given to them in the Application.

11 2. The deadline for parties to file and serve opposition to the Debtors’ Amended Plan
12 of Reorganization for Small Business Under Chapter 11 (the “Plan”) as modified to include the
13 Scenario B liquidation analysis and JPMorgan Chase Bank, N.A. (“Chase Bank”) as an impaired
14 general unsecured creditor under the Plan is December 29, 2020.

15 3. The hearing to confirm the Debtors’ Plan (the “Confirmation Hearing”) will remain
16 on January 5, 2020, at 10:15 a.m.

17 4. The Debtors shall file a modified Amended Plan of Reorganization for Small
18 Business Under Chapter 11 containing the Scenario B liquidation analysis and including Chase
19 Bank in the classes of creditors as described in the Application prior to the Confirmation hearing.

20 *****END OF PROPOSED ORDER*****

Court Service List

Registered ECF participants.